



Wednesday 07 March 2007

USS – UBS International

Head Office

2/50 Borthwick Avenue
Murarrie QLD 4172

Postal

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Morningside QLD 4170
Australia

Phone 61 7 3902 0800**Fax** 61 7 3902 0600**Email** info@ussubsint.com**Web** www.ussubsint.com

ACN 084 475 098
ABN 82 084 475 098

Sasebo Claim

From: Bill Rae
Sent: Wednesday, 7 March 2007 5:12 PM
To: Wood, Debora (DESC)
Cc: Murphy, Francis (DESC); Accounts
Subject: *Claim* Price Increase Sasebo Japan
Importance: High
Sensitivity: Confidential

Debora,

Good afternoon, please find claim for a price increase in Sasebo, we have listed all of the problems that Japan bonded refineries have had, hence causing losses to USS-UBS Int servicing the supply to MSC. Must add that UBS did supply all products with no issue to the vessels as per there request. USS-UBS Int. looks forward to your reply. We are seeking a price increase of 35.7% to cover this additional loss incurred by closures to bonded facilities in Sasebo.

USS-UBS Int has worked out the profit margin for the duration of the contract based on usage to date; USS-UBS Int will be unable to be recouped under the remainder of the contract life as per usage thus far.

Thank you, in advance

Please don't hesitate contacting me at anytime

Kind regards,

Bill Rae | General Manager | USS-UBS International | HEAD OFFICE
Unit 2, 50 Borthwick Avenue, Murarrie QLD 4172
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E billrae@ussubsint.com. | W www.ussubsint.com

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USS - UBS INTERNATIONAL ABN 82 084 475 098
 PO Box 579
 MORNINGSIDE QLD 4170
 Ph: 07 3902 0800
 Fx: 07 3902 0600

Tax Invoice 10039

Date 07.03.2007
 Account # 1383

Customer
DEFENSE FINANCE & ACCOUNTING SERVICE Fuels Accting & Payments Div Attn: DFAS CO-CVDBBA Po Box 182317 COLUMBUS OH 432186251

Port / Ship To :
DEFENSE FINANCE & ACCOUNTING SERVICE SHIP NAME: PORT: JAPAN CONTRACT NO: SP0600-06-D-0391

P.O. No.	TERMS	REP	SHIP DATE	VIA	PROJECT
	10 Days				

QTY	U.O.M.	DESCRIPTION	PRICE	AMOUNT	GST
1	EACH	CLAIM DATED 7TH MARCH, 2007			0.00
1	EACH	USNS BRUCE HEEZEN			0.00
1	EACH	USNS DAHL			0.00
1	EACH	USNS WATSON			0.00
1	EACH	USNS WATKINS			0.00



BANKING ACCOUNT DETAILS:
 ACCOUNT NAME: USS - UBS INTERNATIONAL
 BANK NAME:
 B.S.B:
 ACCOUNT:
 Please note Invoice in: UNITED STATES DOLLARS

SALE AMOUNT	
GST	\$0.00
TOTAL DUE (USD)	
AMOUNT PAID	
AMOUNT DUE	



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ACN 084 475 098

ABN 82 084 475 098

Wednesday, March 07, 2007

Debora Wood
Contracting Officer
Defense Energy Support Center
8725 John J Kingman Rd
Ft. Belvoir VA 22060

RE: SP0600-06-D-0391 – JAPAN – Price Increase

Dear Debora,

Good afternoon, please find below a claim for a price increase in Japan Sasebo
— This happened late last year, and USS-UBS Int. did not approach DESC for a claim even though massive losses were been incurred by this closure USS-UBS Int had to buy and service US vessels with domestic product. USS-UBS Int. delivered every ship the amount requested and never let a delivery not happen even though a huge loss due to a closure of a Japanese facility. This equates to: \$445.40MT in extra costs with no rebate available as this the Japanese Government rules ad regs.

- The Japanese Government will not pay claims for rebates on domestic prices.

Total Loss for Sasebo during this closure: !

All invoices are attached for your information

Taxes incurred as follows:

1. MGO TAX (USD350/MT)
2. VAT 5%
3. OIL IMPORT TAX (USD1.85/MT)

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REGN. NO. 581

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Total MT cost – on average we incurred for a period of 2 months till we could buy bonded MGO creating a huge loss in one month.

Other costs: – incurred by USS-UBS Int.

We made and bought Flange because they are using a special shape flange....USD 2,000.00 each

We bought hoses USD 1,500 each

We hire the bunker crew, USD3, 000 (Coastal MGO barge is not for bunkers)

We want to move forward and find a resolution on the above problem which has now started but at the end of the day unforeseen circumstances have occurred in Japan that is no fault of USS-UBS Int. We request a price increase to cover major cost increases in the Japan region on bonded stock. USS-UBS Int. has had to wear a rather large loss due to circumstances beyond our control.

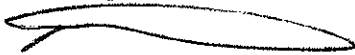
This is the information regarding the MGO production stoppage at the bonded stores:

In Sasebo, we have had a facility close on us due to their refinery in Osaka, about **450miles** away from Sasebo. Cosmo Oil has decreased their refining ratio sharply because they had a compliance problem in August. Moreover they have stopped MGO sales (bonded). This also affects price in Sasebo due to huge Barge costs and supply being limited to one other supplier of domestic product only.

Please find all my contact numbers 24hrs a day:

Thank you, for your valuable time.

Best regards,



Bill Rae
General Manager
USS-UBS Int.

Rose Hennessy

From: Bill Rae
Sent: Tuesday, 13 March 2007 12:58 AM
To: Wood, Debora (DESC); Murphy, Francis (DESC)
Cc: Accounts
Subject: FW: statement

Debora/Francis,

Please find outstanding invoices and interest charges to date.

Thank you, for your valuable time

Kind regards,

Bill Rae | General Manager | USS-UBS International | **HEAD OFFICE:**
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Vancouver - US West Coast.

****Failing to plan is planning to fail****

Rose Hennessy

From: Bill Rae
Sent: Monday, 19 March 2007 9:13 AM
To: Wood, Debora (DESC)
Cc: Accounts; Murphy, Francis (DESC)
Subject: Claims

Debora/Francis,

Good morning, hope you had a great week end? I have been tasked to ask when the claims may be paid or settled as we have a lot of late ones dating back to 2006, and the accounts dept are really chasing me on these especially the late ones from 2006. Thanks heaps Debora

- **** Claim**** - USS ELROD – short paid
- **** Claim**** - Cost adjustments Cape Town
- **** Claim Sasebo 1**** - USNS Bruce Heezen – USNS Dahl – USNS Watson – USNS Watkins
(Refinery closed on bonded and domestic only available for those deliveries)

Appreciate your time on these and look forward to your response thanks Debora.

Kind regards,

Bill Rae | General Manager | USS-UBS International | **HEAD OFFICE:**
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Bill Rae

From: Bill Rae
Sent: Monday, 19 March 2007 9:14 AM
To: 'Wood, Debora (DESC)'
Cc: 'Murphy, Francis (DESC)'; Accounts
Subject: FW: *Claim* Price Increase Sasebo Japan
Importance: High
Sensitivity: Confidential

Tracking:	Recipient	Delivery	Read
	'Wood, Debora (DESC)'		
	'Murphy, Francis (DESC)'		
	Accounts	Delivered: 19/03/2007 9:15 AM	Read: 19/03/2007 9:25 AM

Debora,

Forwarded FYI – incase it didn't get through to you mate thanks heaps

- This is **Sasebo Claim 1** - ** Claim Sasebo 1** - USNS Bruce Heezen – USNS Dahl – USNS Watson – USNS Watkins (Refinery closed on bonded and domestic only available for those deliveries)

Thank you, Debora, appreciate your time mate

Kind regards,

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BC. - Vancouver - US West Coast.

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From: Bill Rae
Sent: Wednesday, 7 March 2007 5:12 PM
To: Wood, Debora (DESC)
Cc: 'Murphy, Francis (DESC)'; Accounts
Subject: *Claim* Price Increase Sasebo Japan

10/04/2007

Rose Hennessy

From: Bill Rae
Sent: Tuesday, 20 March 2007 6:38 PM
To: Accounts
Subject: FW: Claims update

FYI a letter I sent thanks

Kind regards,

Bill Rae | General Manager | USS-UBS International | **HEAD OFFICE:**
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****Failing to plan is planning to fail****

From: Bill Rae
Sent: Tuesday, 20 March 2007 6:17 PM
To: Wood, Debora (DESC); Murphy, Francis (DESC)
Cc: Accounts
Subject: Claims update

Debora,

Good evening hope you are well? I was hoping you could advise on any update with the Claims we have in at DESC? Thanks Debora appreciate your time.

Kind regards,

Bill Rae | General Manager | USS-UBS International | **HEAD OFFICE:**
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This E-mail was sent from "RNP92F53D" (LD124c).

Scan Date: 20.03.2007 18:16:35 (+0800)
Queries to: reception@ussubs.local

8/02/2008



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ABN 82 084 475 098

Tuesday, March 20, 2007

Debora Wood
Contracting Officer
Defense Energy Support Center
8725 John J Kingman Rd
Ft. Belvoir VA 22060

RE: Claims (update)

Dear Debora,

I was hoping you could shed some light on the Claims USS-UBS Int have in with DESC. I am getting a lot of pressure from financial controller and my bosses, if you could advise so I can at least give a date of finalisation I have to put in a full report by close of business 21st March 07 on all relating to the claims, with dates of payment expected on all claims. I appreciate your assistance and look forward to speaking with you in regards to this thanks Debora.

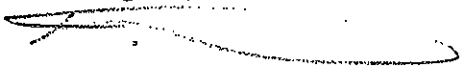
Please find all my contact numbers 24hrs a day:

Mobile: \

Home:

Thank you, for your valuable time.

Best regards,


Bill Rae
General Manager
USS-UBS Int.

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REGN. NO. 581

Australia ♦ Asia ♦ Oceania

Rose Hennessy

From: Bill Rae
Sent: Friday, 30 March 2007 11:08 AM
To: Wood, Debora (DESC)
Cc: Murphy, Francis (DESC); Williams, Alberto A (DESC); Accounts
Subject: Claims - Sasebo Japan
Importance: High
Sensitivity: Confidential

Debora,

Good morning, can you please advise update on the following claims:

1. ****CLAIM** Sasebo 1** - USNS Bruce Heezen – USNS Dahl – USNS Watson – USNS Watkins

- Amount owing: interest being accrued as we speak

As per earlier correspondence, can we get an update on these, and when is payment expected

P.N Interest amounts will be sent through separately

As per earlier correspondence, can we get an update on these, and when is payment expected

I appreciate your time and efforts on these matters and look forward to receiving payment at soonest, please don't hesitate calling me at home on +617 3395 3612 or sending payment through

Kind regards,

Bill Rae | General Manager | USS-UBS International | **HEAD OFFICE:**
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8/02/2008

Bill Rae

From: Bill Rae
Sent: Tuesday, 3 April 2007 1:41 AM
To: Wood, Debora (DESC)
Subject: Counter claim as discussed (price increase)

Importance: High

Sensitivity: Confidential

Tracking: **Recipient** **Delivery**
 Wood, Debora (DESC)
 Accounts Delivered: 3/04/2007 1:43 AM

Hi Debora,

Thanks heaps for your time mate greatly appreciated. As discussed the claim for the price increase arises for the following reasons:

The Japanese government controls the export product and domestic product of MGO (All gas oils). Especially in winter the Japanese Government can decide to close an export facility and utilize it as a domestic facility then USS-UBS Int will be forwarding claims (large claims) to DESC on a regular basis. As per attached Claim

Export product is what the USN and all Defence forces use. The governing body of Japan closed down the only Export facility for a matter of time and only Domestic was available causing a huge price increase to all parties, (Hence the claim) what USS-UBS Int proposes is a price increase from 2 December 2006. If DESC approves this price increase we will void this claim and guarantee that there will be no more claims of this nature in Sasebo.

If the Japanese government does do this again which is guaranteed to happen then the facility (Refinery domestic product) costs for MGO will be incurred by USS-UBS Int and then DESC. And/or the refinery has a quality issue and closes all export supply and only supplies domestic product, then the below costs are occurred:

Domestic price: Extra costs to DESC and USS-UBS Int. (All taxes non refundable, the Japanese Govt will not let the taxes be claimed under export)

- MGO TAX – USD \$350 a MT
- VAT (Value added tax) – 5%
- Oil import tax – USD \$1.85 a MT
- Barge costs – USD \$150 a MT (due to a 450 Mile trip, one way)
- What it would cost on top of contract price – USD \$ a MT (USS-UBS Int price increase proposal is a huge saving for DESC and the Navy, estimated USD a MT saving on any claims)

USS-UBS Int proposes a price increase on line item: 765-61 Sasebo Japan

- Current price – USD 0 a MT
- Increase - 35.7% = USD a MT
- Increase effective as of 2nd December 2006
- Increase approval will cancel out this claim and any further claims of this nature. E.g. Sasebo 1** - USNS Bruce Heezen – USNS Dahl – USNS Watson – USNS Watkins (Refinery closed on bonded and

10/04/2007

domestic only available for those deliveries)

This counter claim will save the US Government a lot of money and USS-UBS Int will be able to recover its losses close to a 2 year period based on the current usages in Sasebo, I have approved this from our side and we look forward to a positive result upon review from DESC.

Thanks Debora, mate if you could get back to me at soonest that would be great so I can let our guys know the outcome either way appreciate your efforts mate and I look forward to speaking to you, I will also send over the Bruce Heezen file I have to you. Thanks mate

Kind regards,

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From: Bill Rae
Sent: Monday, 19 March 2007 9:14 AM
To: 'Wood, Debora (DESC)'
Cc: 'Murphy, Francis (DESC)'; Accounts
Subject: FW: *Claim* Price Increase Sasebo Japan
Importance: High
Sensitivity: Confidential

Debora,

Forwarded FYI – incase it didn't get through to you mate thanks heaps

- This is ****Sasebo Claim 1**** - **** Claim Sasebo 1**** - USNS Bruce Heezen – USNS Dahl – USNS Watson – USNS Watkins (Refinery closed on bonded and domestic only available for those deliveries)

Thank you, Debora, appreciate your time mate

Kind regards,

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10/04/2007

Rose Hennessy

From: Bill Rae
Sent: Tuesday, 10 April 2007 5:42 PM
To: Wood, Debora (DESC); Murphy, Francis (DESC)
Cc: Accounts
Subject: FW: claim for Sasebo - counter claim to the domestic product used due to closure of bonded facility

Debora/Francis,

Please find the attached correspondence with all re: Sasebo closure of the bonded facility, also I have to send further claims relating to this matter FYI. To follow this email

Look forward to speaking tonight to resolve all claims and have payments made to USS-UBS Int. thanks heaps guys.

Kind regards,

Bill Rae | General Manager | USS-UBS International | HEAD OFFICE:
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-----Original Message-----

From: reception@ussubs.local [mailto:reception@ussubs.local]
Sent: Tuesday, 10 April 2007 7:39 PM
To: Bill Rae
Subject:

This E-mail was sent from "RNP92F53D" (LD124c).

Scan Date: 10.04.2007 17:38:53 (+0800)
Queries to: reception@ussubs.local

8/02/2008



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ACN 084 475 098

ABN 82 084 475 098

Tuesday, April 10, 2007

Debora Wood
Contracting Officer
Defense Energy Support Center
8725 John J Kingman Rd
Ft. Belvoir VA 22060

RE: **CLAIM Sasebo – PRICE INCREASE**

Dear Debora,

Please find correspondence in relation to Sasebo. As requested by telephone conversation 4th April 07.

What it means is that the below taxes are applicable and not redeemable, also you have the winter months creating costs and since the compliance issues we are facing a huge cost and further claims are following this letter due to this issue in Japan. If DESC approve price increase dated back from 2nd December 2006, then USS-UBS Int will not pursue this claim and will forward new invoices relevant to the price increase and no further claims will be submitted for this item at any stage of our contract for CLIN 754-61 (SASEBO MGO)

Can I please get a response at soonest on when we are getting some payments in from our claims; I have a lot of pressure upon me from management

FYI

This is from our supplier based in Sasebo.

From: yasuhito.imizumi@sumitomocorp.co.jp [mailto:yasuhito.imizumi@sumitomocorp.co.jp]

Sent: Friday, 20 October 2006 3:19 PM

To: Steve Horsfall

Cc: Jason Fogg; Bill Rae; Justin Smith

Subject: FW: Japan Taxes etc

First of all, only COSMO OIL can supply bonded MGO in Japan.

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REGN. NO. 581

Australia ♦ Asia ♦ Oceania

Their refinery is in Osaka, about 450miles away from Sasebo.
Cosmo Oil has been decreased their refining ratio sharply
because they had a compliance trouble in August.
Moreover they have stopped MGO sales since this March.

The nearest refinery of Sasebo is Kyushu oil, Idemitsu, and Seibu oil.
Only Kyushu Oil is available at the moment.

We can't refund VAT and Oil tax later, but the most important thing
is domestic market is not related with Platts and international market.

Anyway tax is,,

1.MGO TAXJPY32,100/KL (abt USD350/MT)

2.VAT 5%

3.OIL IMPORT TAX JPY170/KL (abt USD1.85/MT)

The freight from the nearest refinery to Sasebo is USD150/MT for 380KL.

Other cost,,which is included the price.

We made and bought Flange because they are using special shape frange....USD2,000

We bought hose,,,USD1,500

We hire the bunker crew,,, USD3,000 (Coastal MGO barge is not for bunkers)

We must use special bunker coordinator for US NAVY,,, USD2,000

Regards,
Oliver

Earlier correspondence to DESC:

From: Bill Rae

Sent: Tuesday, 3 April 2007 1:41 AM

To: Wood, Debora (DESC)

Subject: Counter claim as discussed (price increase)

Importance: High

Sensitivity: Confidential

Hi Debora,

Thanks heaps for your time mate greatly appreciated. As discussed the claim for the price increase arises for the following reasons:

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Export product is what the USN and all Defence forces use. The governing body of Japan closed down the only Export facility for a matter of time and only Domestic was available causing a huge price increase to all parties, (Hence the claim) what USS-USB Int proposes is a price increase from 2 December 2006. If DESC approves this price increase we will void this claim and guarantee that there will be no more claims of this nature in Sasebo.

If the Japanese government does do this again which is guaranteed to happen then the facility (Refinery domestic product) costs for MGO will be incurred by USS-UBS Int and then DESC. And/or the refinery has a quality issue and closes all export supply and only supplies domestic product, then the below costs are occurred:

Domestic price: Extra costs to DESC and USS-UBS Int. (All taxes non refundable, the Japanese Govt will not let the taxes be claimed under export)

- MGO TAX – USD \$350 a MT
- VAT (Value added tax) – 5%
- Oil import tax – USD \$1.85 a MT
- Barge costs – USD \$150 a MT (due to a 450 Mile trip, one way)
- What it would cost on top of contract price – USD \$1243.56 a MT (USS-UBS Int price increase proposal is a huge saving for DESC and the Navy, estimated USD \$317.41 a MT saving on any claims)

USS-UBS Int proposes a price increase on line item: 765-61 Sasebo Japan

- Current price – USD \$ a MT
- Increase - 35.7% = USD \$ a MT
- Increase effective as of 2nd December 2006
- Increase approval will cancel out this claim and any further claims of this nature. E.g. Sasebo 1** - USNS Bruce Heezen – USNS Dahl – USNS Watson – USNS Watkins (Refinery closed on bonded and domestic only available for those deliveries)

This counter claim will save the US Government a lot of money and USS-UBS Int will be able to recover its losses close to a 2 year period based on the current usages in Sasebo, I have approved this from our side and we look forward to a positive result upon review from DESC.

Thanks Debora, mate if you could get back to me at soonest that would be great so I can let our guys know the outcome either way appreciate your efforts mate and I look forward to speaking to you, I will also send over the Bruce Heezen file I have to you. Thanks mate

Kind regards,

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Rose Hennessy

From: Bill Rae
Sent: Tuesday, 24 April 2007 2:47 PM
To: Murphy, Francis (DESC); Wood, Debora (DESC)
Cc: Accounts
Subject: Sasebo Claim domestic product

Francis/Debora,

Hope you are well? Please find information as requested on claim for Sasebo

Date that we were informed of non refund – 4th March USS-UBS Int was advised that no refund was coming

- Sasebo claim for domestic product supplied due to bonded facility unsuitable for supply due to compliance issues – why the government only allows Osaka for fuel deliveries to Sasebo on MGO (bonded) in short it is due to the government and unions having power over the refineries and no other refinery can do it nor carry stock for vessels as the only users in Japan are the USN – Japanese Navy – Fishing boats. And the Japanese Navy and Fishing boat operators get priority over USN. Japanese Govt. is the power to be on these decisions, and when the MGO was turned into domestic as per the claims, USS-UBS and the USN have to pay for it at the rate set by the Japanese Government. You were advised of the claim as per the date when the Japanese Govt finally came back and said no you can not claim back the tax

In short the amounts are put in as a claim to DESC, after all avenues were exhausted by USS-UBS Int

Look forward to speaking tonight I am contactable on +617

Thank you, for your valuable time

Kind regards,

Bill Rae | General Manager | USS-UBS International | **HEAD OFFICE:**
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COAST) - CANADA**

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Rose Hennessy

From: Bill Rae
Sent: Friday, 27 April 2007 5:36 PM
To: Wood, Debora (DESC)
Cc: Murphy, Francis (DESC); Peterson, David (DESC); Accounts
Subject: Claim for bonded product Sasebo
Importance: High

Debora,

I was thinking after the conversation last night that we never mentioned the price increase we (USS-UBS) are not after the USD \$10000000 we are just after a price increase so that we can afford to operate and still supply MSC and USN vessels in Sasebo, hence USS-UBS Int is only after the price increase not the amount as per our loss.

As per sent earlier to DESC, the below was never mentioned last night on conference call with legal

USS-UBS Int proposes a price increase on line item: 765-61 Sasebo Japan

- Current price – USD \$60000 a MT
- Increase - 35.7% = USD \$81420 a MT
- Increase affective as of 2nd December 2006
- Increase approval will cancel out this claim and any further claims of this nature in the future of this contract

Kind regards,

Bill Rae | General Manager | USS-UBS International | **HEAD OFFICE:**
T +61 7 3902 0800 | M +61 402 797 722 | F +61 7 3902 0600

E billrae@ussubsint.com. | W www.ussubsint.com

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Victoria BC. - Vancouver - US West Coast.**

****Failing to plan is planning to fail****

Rose Hennessy

From: Bill Rae
Sent: Monday, 21 May 2007 1:18 PM
To: Wood, Debora (DESC); Murphy, Francis (DESC)
Cc: Rose Hennessy
Subject: FW: Counter claim as discussed (price increase)
Importance: High
Sensitivity: Confidential

Debora,

Hope your well mate, and had a great week end? Just wanted to get clarification on the following:

****If DESC approves this price increase we will void this claim and guarantee that there will be no more claims of this nature in Sasebo. ****

USS-UBS Int proposes a price increase on line item: 765-61 Sasebo Japan

- Current price – USD a MT
- Increase - 35.7% = USD \$ a MT
- Increase affective as of 2nd December 2006
- Increase approval will cancel out this claim and any further claims of this nature. E.g. Sasebo 1** - USNS Bruce Heezen – USNS Dahl – USNS Watson – USNS Watkins (Refinery closed on bonded and domestic only available for those deliveries)
- We can have all invoices to you by this evening to have approved as a claim (which is not a tax claim) only a price increase FYI. The new invoices will credit out all claims (barge etc) to do with this claim. I am waiting on them to come through and will forward by COB AEST today.

With this claim proposal we are unsure to why the delay with the process when we are after the pay increase due to various reasons being: as below USS-UBS Int is not claiming the tax but an increase in price due to numerous reasons all listed below hence we cannot understand the delay with the claim when it is a simple determination of below.

We are accepting the cost of tax we were forced to pay, and are asking for a claim as detailed above of a price increase to ensure that there are no more difficulties in Sasebo with refinery shut downs, barge unavailability, etc... I believe that DESC should be able to determine this at soonest since it is not a tax issue it is only a price issue as outlined in phone conversation and emails.

Thank you, for your valuable time, if you have any queries please do not hesitate contacting me at anytime, USS-UBS Int cannot supply the ships that are expecting bunkers in Sasebo due to the delays in claims being paid, I am under ever increasing pressure to have these rectified and I am sure you can understand the difficulty I am facing with this, thanks guys.

Regards, Bill Rae (General Manager)

From: Bill Rae
Sent: Tuesday, 1 May 2007 1:09 AM
To: 'Wood, Debora (DESC)'
Cc: 'Murphy, Francis (DESC)'; Accounts
Subject: Sasebo (Conference call queries)

Debora/Francis,

8/02/2008

As discussed had meeting with our Japanese suppliers on Friday 27th April 07, topic of discussion was Sasebo and the outcome for non tax bunkers, we will utilize the following to save the US money on bunkers. Here is a main reason for tax being charged, Bonded MGO produced in Japan is shipped to either Singapore or Korea, due to low demand in Japan.

1. Option 1, the refineries are asking USS-UBS Int to take max 4000MT a month and store it in Nagasaki (which we are about to agree to) and also get charter of there barge, so we can guarantee supply to DESC vessels.
2. Option 2, we import the MGO from either Korea or Singapore and store in the storage tanks, which creates another problem of barge availability due to importing the fuel which the local refineries will not take to making it hard to get barge hire guaranteed and could leave a delivery unsupplied (which I do not want to happen)

Option 1, is the only and best option available to guarantee supply week in week out. USS-UBS Int. will not require DESC to use the 4000MT every month but I personally feel USS-UBS has to do this to secure product delivery every time. We will bear the cost if not all used under the contract FYI. (No claim will be issued under this CLIN for option1 under any circumstance)

Fuel to come from: Osaka

- Refinery (Chosmo) – Osaka (450 Nautical Miles from Sasebo), will supply USS-UBS Int. tax free fuel, USS-UBS Int has to take 4000MT a month, and store it in a tank at Nagasaki, (as we did with the oral order) which is 6 hours from Sasebo, all in all we have close to a 14 hour barge trip to load the ships in Sasebo. The 14 hours is scattered to delivery of vessel. 28 hour round trip
- Storage tank costs USS-UBS Int a month to store the fuel no matter what the amount in it on top of bunker price and barge hire.

Barges: Osaka to Nagasaki and then to Sasebo and then return trip

USS-UBS Int – has been quoted 150MT (winter) and 125MT (summer) a lift and a lift for experienced crew to do loading at sea – reason for this barge companies are not wanting to clean there barges and take them off the kerosene/IFO/MDO runs Kerosene is used for heating in winter. Also the barge operators don't want the IFO/MDO barges used as they have to clean them for our lifts and take them off there daily runs, and they are unhappy at the change in schedule of our ships, creating them to change and delay there other business. USS-UBS Int explained that change of schedule is not common in Sasebo but can happen, and they are not willing to budge unless we do as we have planned below.

We have gone to the refinery and asked to permanently charter one for the duration of the contract and they are reverting with a yes as soon as I agree to the 4000MT a month supply, the reason I want this to happen is so I can guarantee a clean supply every time with no additional charges at all to DESC vessels from proposed claim price increase.

At the end of the day USS-UBS Int will supply as we always do, but with the above it is programmed in advance to service all needs. We require the claim to be passed so that we can exist to make this happen; with the losses already incurred and our cash flow being heavily affected and I don't want our financial controller putting a hold on order's because of over due account's.

Await your reply, I don't want to agree to the above till DESC comes back to us with the approved claim (below) so that we are not having another claim have to DESC and have our cash flow affected even more. The above option (1) will ensure a smooth delivery every time

USS-UBS Int proposes a price increase on line item: 765-61 Sasebo Japan

- Current price – USD a MT
- Increase - 35.7% = USD a MT
- Increase affective as of 2nd December 2006
- Increase approval will cancel out this claim and any further claims of this nature in the future of this contract

Thank you, for your valuable time and look forward to a quick response so we can move forward on the above.

Kind regards,

Bill Rae | General Manager | USS-UBS International | **HEAD OFFICE:**
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****Failing to plan is planning to fail****

Rose Hennessy

From: Bill Rae
Sent: Monday, 21 May 2007 9:44 PM
To: Wood, Debora (DESC); Murphy, Francis (DESC)
Subject: Claim Sasebo - Not oral claim
Importance: High
Sensitivity: Confidential

Debora/Francis,

You will see attached the following invoices that are for the price increase we are seeking, the total is the claim total of that we submitted was for . if it increases the process I am willing to seek a price increase as requested but give a 12% discount on the invoices attached. All future invoices will be at the 29.5% price increase, to allow for this process to be speedy, so I can guarantee supply, I have been told by no supply and they will not allow me to in Sasebo at all due to this claim and the Oral order claim (Email to follow re Oral order claim), I

- Total payable -
- Less Discount -
- Total payable - which will be invoiced to you as per attached invoices -

Saving the USN on this claim

If this is paid and approved by Wednesday AEST, I will be able to service all orders in Sasebo, if not I cannot supply, I am sorry but I have no choice to do so, I am sticking my neck out by cutting our losses by the amount above, but I want to move forward on the claims and get all paid, I hope you find this doable and we can process this by Wednesday for payment to USS-UBS.

Thanks heaps guys, I am able to get invoices to you this evening to speed the process up; I am available at all times on

Kind regards,

Bill Rae | General Manager | USS-UBS International | **HEAD OFFICE:**
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Rose Hennessy

From: Bill Rae
Sent: Wednesday, 23 May 2007 12:04 AM
To: Justin Smith
Cc: Rose Hennessy
Subject: FW: SASEBO - REVISED : USNS WATSON - SASEBO 28 MAY 07

Can you get back the funds they owe us thanks also had we picked this up? If not why didn't we? Thanks

Kind regards,

Bill Rae | General Manager | USS-UBS International | **HEAD OFFICE:**
T +61 7 3902 0800 | **M** +61 402 797 722 | **F** +61 7 3902 0600

E billrae@ussubsint.com | **W** www.ussubsint.com - wtrac@hotmail.com

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****Failing to plan is planning to fail****

From: alan.hillgrove@sumitomocorpeurope.com [mailto:alan.hillgrove@sumitomocorpeurope.com]
Sent: Tuesday, 22 May 2007 11:58 PM
To: Bill Rae; Justin Smith
Cc: yasuhito.imaizumi@sumitomocorp.co.jp; kazutaka.kawanishi@sumitomocorp.co.jp;
go.takahashi@sumitomocorp.co.jp
Subject: Re: SASEBO - REVISED : USNS WATSON - SASEBO 28 MAY 07

uuuummm.....to be honest Bill/Justin sans we all of us at Sumitomo feel sorrow that the usns watson isnt
 being suplied it wud seem.....
 for oil/barges/competitive usd710mtd prcs are all ready to go
 ,,for we as democratic free-men have an obligation to support this wonderful project by all means,,,,,,,,,,,,,
 i have seen pictures of hungry people in North Korea,,,,,,,,,,,,,
 i didnt like it bearg in mind we are all from three lands of plenty and have no knowledge of hunger,,,,,,,,,,,,,
 ,,we are especially surprised the legendary Francis and Debora san sans are allowg it to happen bearg
 in mind the existg contract with you and their known precise preference for this usns watson to be suplied
 from our commercial stocks,,,,,,,,,they have a reputation for implementg their buyg contracts to the full without
 mercy,,,
 regs,,,,,,,,,
 ps
 we owe u usd2926.62,,,,,,,,,from the usns mary sears delvy may 14th,,,,,,,,,shud we give it to skippy's grandson
 who is on walkabouts here in ldn,,,,,

----- Original Message -----

From: Bill Rae
To: alan.hillgrove@sumitomocorpeurope.com ; Justin Smith ; go.takahashi@sumitomocorp.co.jp
Cc: yasuhito.imaizumi@sumitomocorp.co.jp ; kazutaka.kawanishi@sumitomocorp.co.jp
Sent: Tuesday, May 22, 2007 1:21 PM
Subject: RE: SASEBO - REVISED : USNS WATSON - SASEBO 28 MAY 07

Alan,
 We have 4 years in Sasebo & Naha and 5 years in Yokohama FYI

8/02/2008

Kind regards,

Bill Rae | General Manager | USS-UBS International | **HEAD OFFICE:**
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From: alan.hillgrove@sumitomocorp.eu [mailto:alan.hillgrove@sumitomocorp.eu]

Sent: Tuesday, 22 May 2007 6:02 PM

To: Justin Smith; go.takahashi@sumitomocorp.co.jp

Cc: Bill Rae; yasuhito.imaizumi@sumitomocorp.co.jp; kazutaka.kawanishi@sumitomocorp.co.jp

Subject: Re: SASEBO - REVISED : USNS WATSON - SASEBO 28 MAY 07

hey justin,,,,,,,,,
arent u guys principles not agents,,,,,,,,,therefore cash flow out not dependg on cash flow in,,,,,,,,,

if u can correctly sort/pay our mutual norwgn friends out perhaps we cud all review lines of
communications.....

and turn rough seas into calm,,,,,
wilhelsn's are our very close-mates and wud be always taken care of by us,,,,,

its our understandg sasebo reqts minimum next 3 years from usa military,,,,,,,,,
merci/alan,,,,,,,,

----- Original Message -----

From: Justin Smith

To: go.takahashi@sumitomocorp.co.jp

Cc: Bill Rae ; yasuhito.imaizumi@sumitomocorp.co.jp ; kazutaka.kawanishi@sumitomocorp.co.jp ;
alan.hillgrove@sumitomocorp.eu

Sent: Tuesday, May 22, 2007 1:09 AM

Subject: RE: SASEBO - REVISED : USNS WATSON - SASEBO 28 MAY 07

Hi Gordon,

For sake of good order I was just keeping you informed of her movements in case we received all funds
from US in time to fix up OSLO then we could progress.

We have not changed out mind unless US pay all outstanding.

About annual report can you advise why you would want ?? Are you wanting for us to arrange account
direct with Sumitomo and bypass WILBUNKES???

Cheers

Kind regards,

Justin Smith | Defence Manager | USS-UBS International | **HEAD OFFICE:**

Unit 2, 50 Borthwick Avenue, Murarrie QLD 4172

T +61 7 3902 0800 | **M** +61 402 797 721 | **F** +61 7 3902 0700

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From: go.takahashi@sumitomocorp.co.jp [mailto:go.takahashi@sumitomocorp.co.jp]
Sent: Monday, 21 May 2007 8:09 PM
To: Justin Smith
Cc: Bill Rae; yasuhito.imaizumi@sumitomocorp.co.jp; kazutaka.kawanishi@sumitomocorp.co.jp;
alan.hillgrove@sumitomocorpeurope.com
Subject: RE: SASEBO - REVISED : USNS WATSON - SASEBO 28 MAY 07

Justin,

I thought you decided not to arrange bunker for her...
Have you changed your mind?

How about the annual report I requested you to sent us?

Kind regards
Gordon

From: Justin Smith [mailto:justins@ussubsint.com]
Sent: Monday, May 21, 2007 8:45 AM
To: alan.hillgrove@sumitomocorpeurope.com; go.takahashi@sumitomocorp.co.jp;
yasuhito.imaizumi@sumitomocorp.co.jp; Borge, Hans M
Cc: Bjornebye, Knut; Bill Rae
Subject: SASEBO - REVISED : USNS WATSON - SASEBO 28 MAY 07

Hi Gents,

Below UPDATE on vessel ETA/ETD

From: Justin Smith
Sent: Thursday, 17 May 2007 4:46 PM
To: 'alan.hillgrove@sumitomocorpeurope.com'; 'go.takahashi@sumitomocorp.co.jp';
'yasuhito.imaizumi@sumitomocorp.co.jp'; 'Borge, Hans M'
Cc: 'Bjornebye, Knut'; Bill Rae
Subject: RE: SASEBO - NEW Enquiry: USNS WATSON - SASEBO 28 MAY 07

Hi Gents,

BUNKER ENQUIRY

Vessel : USNS WATSON
Port : SASEBO
ETA : TBA 1300/27th
ETD : TBA AM / 29th
Bunker delivery date: 28 May 2007
Requirement: 608,320 GALLONS (1,899 MT) EAFO
Remarks : 0900hrs

Please acknowledge this message and advise best quotation for above.

8/02/2008

Kind regards,

Justin Smith | Defence Manager | USS-UBS International | **HEAD OFFICE:**
Unit 2, 50 Borthwick Avenue, Murarrie QLD 4172
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From: Justin Smith

Sent: Tuesday, 15 May 2007 12:14 PM

To: 'alan.hillgrove@sumitomocorp.europa.com'; 'go.takahashi@sumitomocorp.co.jp';
yasuhito.imaizumi@sumitomocorp.co.jp; 'Borge, Hans M'

Cc: 'Bjornebye, Knut'; Bill Rae

Subject: SASEBO - Proposed Bunker Enquiry

Hi Gents,

This is just FYI as we do not have any QTY's as yet. Will revert soonest on QTY / product etc.

USNS WATSON
O/A 28 MAY 07

Just wanted to give you a heads up and will send through the NEW NOMINATION when I get further details.

Kind regards,

Justin Smith | Defence Manager | USS-UBS International | **HEAD OFFICE:**
Unit 2, 50 Borthwick Avenue, Murarrie QLD 4172
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8/02/2008

Rose Hennessy

From: Bill Rae
Sent: Tuesday, 10 July 2007 9:16 AM
To: Murphy, Francis (DESC); Justin Smith; Nina Curtis
Cc: Wood, Debora (DESC); Rose Hennessy
Subject: RE: Japan Taxes

Hi Francis,

As discussed mate the ATO (Australian Tax Office) has advised that we are to charge Tax and that the US Government claims it back, I have sent you this information earlier approx 3-4 weeks ago, and will re forward mate so you have a copy, the way it works is that the Tax is applicable and there is a pro rata arrangement between Australian and the US Government, and the person charged for the Tax is to claim it, anyway mate we will forward the info to you, thanks mate

Kind regards,

Bill Rae | Director | RaeCorp International | **HEAD OFFICE:**
T +61 7 3902 0800 | **M** +61 402 797 722 | **F** +61 7 3902 0700

E billrae@ussubsint.com. | **W** www.ussubsint.com - **wtrae@hotmail.com**

****A claim free day is a great day****

From: Murphy, Francis (DESC) [<mailto:Francis.C.Murphy@dla.mil>]
Sent: Tuesday, 10 July 2007 6:23 AM
To: Bill Rae; Justin Smith; Nina Curtis
Cc: Wood, Debora (DESC)
Subject: Japan Taxes

Bill Justin & Nina --

I understand that USS-UBS has added a charge for taxes on at least 2 SEACARD orders (872 and 881).

What are these charges for?

All taxes should be included in your contract award price. Please explain if this is a new tax. We need more information.

Francis

8/02/2008

Rose Hennessy

From: Bill Rae
Sent: Monday, 23 July 2007 2:40 PM
To: Debraggio, Dennis E. CIV (SEALOGFE)
Subject: Ancillary charges - Sasebo/Yokohama

G'day Dennis,

Hope your well mate? Just so your in the loop mate here is a copy of queries we sent to Seacard for them to respond to. Also mate please find ancillary charges that are still outstanding which under the contract are payable. We have been informed by DESC that ancillary charges are payable and that we as a contractor are to charge the vessels hence why they have just started, we applied charges once the information was directed to us via DESC.

In the past we never did but since the contract states they are permissible we have to pass on the costs, we lose money out of this due to the dispute process, as all ancillary charges are cost basis no profit is allowed on them FYI – in short we do not charge you or your ships anything but what the cost is to us. (All back up paper work is provided to DESC)

Please arrange for payment approval on the following: all are in Seacard FYI – All attached

The USNS Effective – has not been processed for payment the MGO was delivered and received can you approve the MGO delivery please Delivery was 8/7/07

The USNS Bowditch – has not been approved either for payment the MGO was delivered and received can you approve the MGO delivery please Delivery 3/7/07

The USNS Mary Sears – has not been approved either for payment the MGO was delivered and received can you approve the MGO delivery please Delivery 2/7/07

Ancillary Charges: Outstanding

- USNS Impeccable - \$
- MV Westpac Express - \$
- MV Sea Venture - \$
- MV Sea Venture - \$
- USNS Bowditch - \$
- USNS Effective - \$
- USNS Mary Sears - \$

Thanks for your time Dennis have a great day

Attached –

- MGO Delivery's needing approval for payment
- Ancillary Charges needing approval
- Seacard fax

Kind regards,

World wide bunker & lubricants Division

8/02/2008



Bill Rae | Director | RaeCorp International | **HEAD OFFICE:**
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******A claim free day is a great day******

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Rose Hennessy

From: Bill Rae
Sent: Friday, 3 August 2007 10:51 AM
To: Murphy, Francis (DESC)
Cc: Wood, Debora (DESC); Madon, Jessica (DESC); Rose Hennessy
Subject: RE: Contract Issues - USS-UBS

Francis,

I have sent to our legal team to give advice and when they do which will be by today then will respond in depth thanks Francis

Kind regards,

World wide bunker & lubricants Division

Bill Rae | Director | RaeCorp International | HEAD OFFICE:
T +61 7 3902 000 | M +61 402 797 722 | F +61 7 3902 0700

E billrae@raecorpint.com | W www.raecorpint.com | wtrae@hotmail.com

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-----Original Message-----

From: Murphy, Francis (DESC) [<mailto:Francis.C.Murphy@dla.mil>]
Sent: Tuesday, July 31, 2007 4:54 AM
To: Bill Rae
Cc: Wood, Debora (DESC); Madon, Jessica (DESC)
Subject: Contract Issues - USS-UBS

Bill --

This is to follow up on this morning's phone conference between yourself, me, & Debora.

We discussed the following issues:

1) Certification of USS-UBS Claims:

Please certify your claims by sending an Email containing the following statement:

"I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the contractor believes the Government is liable; and that I am duly authorized to certify the claim on behalf of the contractor."

2) Charges for Overtime under SEACARD:

8/02/2008

Regarding the following ancillary charges for "Overtime" you filed in SEACARD:

SEACARD Order #	Delivery Vessel	Del Location	Date	Amount
883 \$7.00	USNS Effective	Yokohama	8 JUL	
881	USNS Bowditch	Sasebo	3 JUL	\$
872 \$	USNS Mary Sears	Naha	2 JUL	
813	USNS Impeccable	Yokohama	25 JUN	\$

These will have to be addressed as claims separate from SEACARD. Please file them with the Contracting Officer accordingly, and withdraw these and any other ancillary charges for the same from SEACARD.

3) Sumitomo / Wilhelmssen Payment Issue:

As we discussed this morning and on several other occasions, DESC has no contract with either Sumitomo or Wilhelmssen, and we cannot get directly involved in this issue. However, Wilhelmssen's attorney is now contacting vessels chartered by US Government agencies and is threatening to arrest those ships to settle the payment issues between their client and USS-UBS. DESC must therefore remind you of your responsibilities under the DESC contract in this regard.

Please be aware that should any US-Government-owned or chartered vessel be arrested or seized as a result of the Sumitomo / Wilhelmssen issue, USS-UBS may be held liable for any costs or charges incurred by the US Government as a result. USS-UBS may also be held liable for any losses suffered by the vessel or agency, including any resulting from delay or disruption of the Government's mission.

Best Regards,

Francis
DESC

8/02/2008

Rose Hennessy

From: Bill Rae
Sent: Friday, 3 August 2007 4:36 PM
To: Wood, Debora (DESC)
Cc: Rose Hennessy; Norris, Bradford N Lt Col (DESC); Nina Curtis
Subject: Sasebo Claims
Importance: High

Debora/Norris,

Can we get an update on the claim for Sasebo, we need the funds in at soonest it has been going on since December 06 and getting well and truly to hard to carry please can we get payment ASAP. Thanks

- Sasebo Oral Claim- FYI – I get all answers to DESC ASAP on any request but it seems hard to get the same back, and it makes it hard for me to report to anybody at my end with a timeline or a result so I would appreciate if you could advise a date for payment thanks (we are holding the costs due to an error from the Navy/MSD and one that dates back to December 06 a long time to hold the mistakes of USN/MSD)
- Sasebo Claim – **Price increase** – all information has been sent to DESC and we are waiting for a reply to get it finalized all information is in with DESC and as you can see by the information that the barge transport has to come from such a long distance causing additional costs

As you know we have Claims dating back to October 2006 with DESC and the Navy and it makes it hard to operate with no answers coming back

Thank you, for your valuable time any queries please do not hesitate contacting me at anytime

Kind regards,

World wide bunker & lubricants Division

Bill Rae | Director | RaeCorp International | HEAD OFFICE:
T +61 7 3902 000 | M +61 402 797 722 | F +61 7 3902 0700

E billrae@raecorpint.com. I W www.raecorpint.com I wtrae@hotmail.com

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Rose Hennessy

From: Bill Rae
Sent: Saturday, 4 August 2007 10:11 AM
To: 'Wood, Debora (DESC)'; Murphy, Francis (DESC)
Cc: Norris, Bradford N Lt Col (DESC); Nina Curtis; Rose Hennessy; Justin Smith
Subject: RE: Sasebo - Weather delays - Typhoon

Debora,

We actually supplied and the barge was delayed and holding the product for close to a day and a half. Anyway we will talk on Monday once I have all the paperwork in from supplier thanks

On another note - Any word on the claims that are well and truly well over due we do need these sorted ASAP due to the length of them thanks we have produced all that DESC has asked for. I understand you have processes but the length of the process seems to be very long and we need to be paid for work done.

Thank you for your valuable time

Kind regards,
 Bill Rae

-----Original Message-----

From: Wood, Debora (DESC) [mailto:Debora.Wood@dla.mil]
Sent: Saturday, 4 August 2007 12:01 AM
To: Bill Rae; Murphy, Francis (DESC)
Cc: Norris, Bradford N Lt Col (DESC)
Subject: RE: Sasebo - Weather delays - Typhoon

Bill,

We understand the order has been cancelled within the allotted 48 hours timeframe.

dw

Debora D. Wood
 Contracting Officer
 Mobility Fuels & Fuel Cards Program Division
 Direct Delivery Fuels
 PH: 703-767-8495 (DSN) 427
 FAX: 703-767-8506
 Email: debora.wood@dla.mil

-----Original Message-----

From: Bill Rae [mailto:billrae@raecorpint.com]
Sent: Wednesday, August 01, 2007 9:22 PM
To: Murphy, Francis (DESC); Wood, Debora (DESC)
Cc: Norris, Bradford N Lt Col (DESC)
Subject: Sasebo - Weather delays - Typhoon

Hi All,

FYI, there has been a Typhoon alert in Sasebo and this has delayed the delivery of a vessel due to barges not being able to move until it

8/02/2008

clears we informed MSC as soon as we were informed FYI just a heads up that this has happened and the barge has been loaded with product and due to the delay we are going to get a cost I was wondering what your stance on that is? Thanks and wait your reply thanks guys

Kind regards,

World wide bunker & lubricants Division

Bill Rae I Director I RaeCorp International I HEAD OFFICE:
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E billrae@raecorpint.com. <mailto:l@ubsprov.com.au> I W
www.raecorpint.com <http://www.ubsprov.com.au/> I wtrae@hotmail.com

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8/02/2008

Rose Hennessy

From: Bill Rae
Sent: Monday, 6 August 2007 11:49 PM
To: 'Wood, Debora (DESC)'
Cc: Rose Hennessy; Norris, Bradford N Lt Col (DESC); Nina Curtis
Subject: RE: Sasebo Claims

Debora,

I understand the process mate but must admit it has taken a long time. And we are under ever increasing pressure due to the amount and I have even cut back the claim to assist in getting it paid quicker which has not happened and that was done (date TBA) a while back anyways.

Claims dating back to 6 months relates to other vessels which have not been settled and it makes it tough for me to inform accts dept anything with out any knowledge back after I provide all information to any query within hours even minutes of a DESC representative requesting it. And then no feedback for weeks and even a month can go by, mate it makes it hard to plan when that is the case and when my finance manager asks daily I cannot answer which is the hardest as they cannot budget etc

Appreciate the email and look forward to getting all paid so we can do what we all do best look after ships thanks mate

Kind regards,

World wide bunker & lubricants Division

Bill Rae | Director | RaeCorp International | HEAD OFFICE:
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-----Original Message-----

From: Wood, Debora (DESC) [<mailto:Debora.Wood@dla.mil>]
Sent: Monday, 6 August 2007 11:32 PM
To: Bill Rae
Cc: Rose Hennessy; Norris, Bradford N Lt Col (DESC); Nina Curtis
Subject: RE: Sasebo Claims

Bill,

As you are aware, we have been actively working all of the claims that have been submitted by USS-UBS. We DESC was first notified about Sasebo claim on 7 March 2007 (per your email), and USS-UBS was informed about the surge possibilities in December of 2006. As previously stated, the

8/02/2008

oral order claim is in its final stages and we anticipated being able to provide a decision to USS-UBS on/or before Friday, 17 August 2007. DESC has provided you have a POC for any issues that are directly related and the responsibility of the Navy, which you should use to obtain any information regarding those issues, since that are not within the scope of our DESC contract. It has always been our intention to keep the lines of communication open and I believe that we have accomplished that in the numerous emails and phone conversations that have occur regarding this issue.

Regards,

Debora D. Wood
Contracting Officer
Mobility Fuels & Fuel Cards Program Division
Direct Delivery Fuels
PH: 703-767-8495 (DSN) 427
FAX: 703-767-8506
Email: debora.wood@dla.mil

-----Original Message-----

From: Bill Rae [mailto:billrae@raecorpint.com]
Sent: Friday, August 03, 2007 2:36 AM
To: Wood, Debora (DESC)
Cc: Rose Hennessy; Norris, Bradford N Lt Col (DESC); Nina Curtis
Subject: Sasebo Claims
Importance: High

Debora/Norris,

Can we get an update on the claim for Sasebo, we need the funds in at soonest it has been going on since December 06 and getting well and truly to hard to carry please can we get payment ASAP. Thanks

* Sasebo Oral Claim- FYI - I get all answers to DESC ASAP on any request but it seems hard to get the same back, and it makes it hard for me to report to anybody at my end with a timeline or a result so I would appreciate if you could advise a date for payment thanks (we are holding the costs due to an error from the Navy/MSC and one that dates back to December 06 a long time to hold the mistakes of USN/MSC

* Sasebo Claim - Price increase - all information has been sent to DESC and we are waiting for a reply to get it finalized all information is in with DESC and as you can see by the information that the barge transport has to come from such a long distance causing additional costs

As you know we have Claims dating back to October 2006 with DESC and the Navy and it makes it hard to operate with no answers coming back

Thank you, for your valuable time any queries please do not hesitate contacting me at anytime

8/02/2008

Kind regards,

World wide bunker & lubricants Division

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Rose Hennessy

From: Bill Rae
Sent: Monday, 20 August 2007 10:00 PM
To: 'Wood, Debora (DESC)'; 'Murphy, Francis (DESC)'; 'rene.fry@navy.mil'
Cc: Nina Curtis; Rose Hennessy; 'Norris, Bradford N Lt Col (DESC)'
Subject: FW: Claim Sasebo - Not oral claim
Importance: High
Sensitivity: Confidential

Debora/Francis/Rene/Norris,

Can we please get advice on these invoices please... they have been in with DESC/MSD for a long time now and we need to get resolved

They are getting very old and creating issues for our accounting dept and we need to know urgently where you are at with these thanks we would like to wrap these up so we can move forward thanks in advance

Kind regards,

World wide bunker & lubricants Division



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From: Bill Rae
Sent: Monday, 21 May 2007 9:44 PM
To: Wood, Debora (DESC); Murphy, Francis (DESC)
Subject: Claim Sasebo - Not oral claim
Importance: High
Sensitivity: Confidential

Kind regards,

Bill Rae | General Manager | USS-UBS International | **HEAD OFFICE:**
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8/02/2008

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OCEANIA - PNG - ASIA (All Ports) - GUAM - HAWAII (Pearl Harbor) -
Victoria BC. - Vancouver - US West Coast.

****Failing to plan is planning to fail****

Rose Hennessy

From: Bill Rae
Sent: Thursday, 23 August 2007 5:21 PM
To: Murphy, Francis (DESC); Wood, Debora (DESC); Norris, Bradford N Lt Col (DESC); Fry, Rene M CIV COMSC
Cc: Rose Hennessy; Nina Curtis
Subject: Claim process
Sensitivity: Confidential

Dear Francis/Debora/Rene/Norris,

I am requesting a document stating the status of how the claim process works from DESC, as we have accounts dating back along time I have to report to our financiers and they want something in writing from you to determine the situation/s. We also have our Financial Controller requiring this information so it can be put forward due to the situations we are facing from our suppliers.

We have informed all of our suppliers that if we are not paid for product/services rendered from our customer (whom ever it may be) and a claim is in with DECS/NAVY/MSD, then we will not be paying physical suppliers till resolved, (reasoning for this is due to claims dating back so long and we paid suppliers thinking it would be a quicker process than we currently are facing, in short we cannot and will not pay the physical suppliers on any claim that is in with DESC)

Please note we will not be accepting loss of interest on any claims as we have to pay interest on holding the amounts that are in as claims, which we lose out on and why we want the exact details.

Costs Incurred from USS-UBS International involved with Claims

- Interest on over draft due to paying our physical suppliers – which is not as per what the Govt pays in interest on a late payment so a loss at the end of the day
- Legal Representation Costs for disputes with suppliers that are involved with the claims.

Kind regards,

World wide bunker & lubricants Division

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Rose Hennessy

From: Bill Rae
Sent: Thursday, 30 August 2007 10:01 AM
To: Wood, Debora (DESC); Murphy, Francis (DESC); rene.fry@navy.mil
Cc: mike.depolo@mscfe.msc.navy.mil; Dennis.Debraggio@fe.navy.mil; Nina Curtis; Rose Hennessy; Norris, Bradford N Lt Col (DESC); Munenori.Endoh@mscfe.msc.navy.mil
Subject: Sasebo Payment's
Importance: High
Sensitivity: Confidential

Hi All,

Can we get some urgent advice on when the payment is coming to us, we have held this debt for MSC for a very long time now and it is costing a lot of money to do so, await to hear your advice thanks

Kind regards,

World wide bunker & lubricants Division

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DEFENSE LOGISTICS AGENCY
 DEFENSE ENERGY SUPPORT CENTER
 8725 JOHN J. KINGMAN ROAD, SUITE 4950
 FORT BELVOIR, VA 22060-6222

REPLY
 REFER TO: DESC-PHB

17 September 2007

USS-UBS Provedores PTY LTD.
 Mr. Bill Rae
 2/50 Borthwick Ave
 Murarrie QLD 4172
 Australia

Sent via FEDEX, Email, and Fax

CURE NOTICE

Dear Mr. Rae:

This Cure Notice is in reference to Contracts SP0600-06-D-0351, dated 04 May 2006, and SP0600-06-D-0391, dated 21 September 2006, between USS-UBS Provedores PTY LTD. (USS-UBS) and the Defense Energy Support Center (DESC). Over the past several months, the DESC Contracting Officer has become aware of numerous issues, problems, and complaints occurring under this contract, including, but not limited to, such actions by USS-UBS as default of deliveries, rejection of orders, deliveries outside the scope of the contract, and unauthorized changes in delivery method. In addition, DESC has received information indicating that USS-UBS has failed to pay several of its subcontractors, and further, that USS-UBS has been presenting itself to these subcontractors as an agent of the U.S. Government, rather than simply as a contractor.

PERFORMANCE ISSUES:

USS-UBS is hereby placed on notice that the Contracting Officer considers the above to be serious issues that are jeopardizing performance under the contract. Specifically, the Contracting Officer is aware of the following incidents and actions by USS-UBS:

- 1) USS-UBS has declined the following orders properly placed under the contract via SEA Card:

ORDER NUMBER	ITEM NUMBER	DELIVERY LOCATION	SHIP NAME	ORDER DATE
1117	706-61	Dakar, Senegal	USS Doyle	01 SEP 2007
1028	774-61	Naha, Japan	Westpac Express	10 AUG 2007
1026	774-61	Naha, Japan	USNS Victorious	09 AUG 2007
1025	774-61	Naha, Japan	Westpac Express	09 AUG 2007
1021	951-61	Yokohama, Japan	MV Sea Venture	08 AUG 2007
1016	948-62	Sasebo, Japan	MV Cape Jacob	07 AUG 2007
814	948-62	Sasebo, Japan	MV Transpacific	08 JUN 2007
746	672-61	Sattahip, Thailand	Westpac Express	17 MAY 2007

USS-UBS Proveedores PTY LTD.

Cure Notice

Page 2

The above declines or refusals to make delivery constitute defaults by USS-UBS, in accordance with the following contract clauses:

Clause I84, REQUIREMENTS (OCT 1995), subparagraph (b), states in pertinent part as follows:

"... the Contractor shall furnish to the Government all supplies or services specified in the Schedule and called for by orders issued in accordance with the ORDERING clause."

Clause B1.04-1.100, SUPPLIES TO BE FURNISHED (SHIPS' BUNKERS) (DESC MARCH 2006), subparagraph (b)(5), states in pertinent part as follows:

"The Government agrees to order and the Contractor shall, if ordered, deliver during the contract period, at the unit prices hereunder, adjusted in accordance with the ECONOMIC PRICE ADJUSTMENT - MARKET PRICE INDICATORS (SHIPS' BUNKERS) clause or the ECONOMIC PRICE ADJUSTMENT - ESTABLISHED CATALOG MARKET PRICE - OTHER THAN PUBLICATION (SHIPS' BUNKERS) clause of the contract (if applicable), the total actual requirements for the product(s) at the location(s) listed.

Clause I1.03-5, CONTRACT TERMS AND CONDITIONS - COMMERCIAL ITEMS (BUNKERS) (DESC JAN 2006), subparagraph (f), states in pertinent part as follows:

"... The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence, such as acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence."

It is USS-UBS's responsibility to fulfill all orders properly placed under the contract until the contract expiration date, or until such time as the contract is otherwise validly terminated. Failure to do so without prior approval of the DESC Contracting Officer, or for reasons other than those cited in Clause I1.03-5, renders USS-UBS in default.

2) DESC has repeatedly advised USS-UBS that only the Contracting Officer has authority to modify the terms and conditions of the contract, including authorizing changes to delivery methods or prices, and that USS-UBS must adhere to the terms of its contract, regardless of any statements made by Navy or MSC personnel. However, USS-UBS has continued to act outside the scope and terms of its contract without prior authorization from the Contracting Officer and then expected compensation after the fact. USS-UBS has submitted ancillary charges in SEA Card and claims for costs to which it is clearly not entitled under the terms and conditions of the contract. Specifically:

- (A) USS-UBS has attempted to charge Overtime costs under the contract when in fact the contract does not provide for any such charges. Specifically, in the following cases, USS-UBS has submitted claims or charges to which the DESC Contracting Officer has determined USS-UBS is not entitled:

USS-UBS Provedores PTY LTD.
Cure Notice
Page 3

ORDER NUMBER	ITEM NUMBER	DELIVERY LOCATION	SHIP NAME	ORDER DATE	CHARGE
883	951-61	Yokohama, Japan	Effective	27 JUN 2007	Overtime
881	765-61	Sasebo, Japan	Bowditch	02 JUL 2007	Overtime
872	774-61	Naha, Japan	Mary Sears	25 JUN 2007	Overtime
854	774-61	Naha, Japan	Westpac Express	21 JUN 2007	Overtime
852	672-61	Sattahip, Thailand	USS Jarrett	18 JUN 2007	Overtime
813	951-61	Yokohama, Japan	Impeccable	11 JUN 2007	Overtime

The DESC Contracting Officer advised that USS-UBS is not entitled to the above charges for Overtime. Clause B1.04-1.100, SUPPLIES TO BE FURNISHED (SHIPS' BUNKERS) (DESC MARCH 2006), subparagraph (k), states that Overtime is "included in price per Metric Ton." This provision was submitted by USS-UBS at the time of offer on both Contracts SP0600-06-D-0351 and SP0600-06-D-0391. Therefore, any Overtime costs should be included in the price of fuel and may not be charged separately. This was explained to Mr. Rae in an Email dated 27/28 July 2007.

By Email dated 30/31 July 2007, USS-UBS was directed by the DESC Contracting Officer to remove the Overtime charges on SEA Card Orders 883, 881, 872, and 813, and any other ancillary charges for Overtime in the SEA Card system. To date, this has not been done, and in fact, the Overtime charges remain in the SEA Card system, thereby causing the Government to expend additional resources on these issues.

(B) USS-UBS has attempted to charge overtime and detention/demurrage under Order 723, delivery to USNS Pathfinder placed via SEA Card on 14 May 2007 under Item 754-61 (Capetown, South Africa).

Item 754-61 is a pipeline delivery line item. USS-UBS indicates that it was unable to deliver this order because no fuel was available at that location for the required delivery time. Rather than notifying DESC of a potential excusable delay as required by Clause I.103-5(f) of the contract and without the knowledge of the Contracting Officer, USS-UBS procured fuel from another location, barged it to Capetown, and put it in the pipeline in order to refuel the Pathfinder. USS-UBS then entered additional charges in the SEA Card system for overtime and detention/demurrage to account for its additional costs. USS-UBS did not notify the Contracting Officer of this issue until June 19, 2007, when DESC questioned these charges and advised that they were impermissible under a pipeline delivery line item under Clauses B1.04-1.100, SUPPLIES TO BE FURNISHED (SHIPS' BUNKERS) (DESC MARCH 2006) and F1.01-2.100, BUNKERING PROVISIONS (DESC MARCH 2006).

USS-UBS incurred these costs as a result of its failure to comply with the terms and conditions of its contract and failure to communicate with the Contracting Officer prior to taking a course of action that deviated from those terms and conditions. While USS-UBS indicates that it notified MSC of the non-availability of fuel and that there would be additional charges to refuel, the terms of the contract are clear that notification of such issues must be made to the Contracting Officer, and thus, MSC was not the proper party to notify, nor did MSC have authority to agree to a modification of the contract. By failing to follow the terms of its contract, USS-UBS incurred additional expenses, which it appears to be unable to absorb, resulting in financial and legal issues that have jeopardized its ability to perform under the contract.

USS-UBS Proveedores PTY LTD.

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Page 4

(C) USS-UBS has submitted cancellation charges for a non-SEA Card Order by USS Guardian under Item 672-61 (Sattahip, Thailand). USS-UBS received the order on 04/05 May 2007. Delivery was scheduled for 11 May, but was cancelled on 08 May.

The DESC Contracting Officer advised that USS-UBS is not entitled to the above charge for cancellation. Pursuant to the contract terms and conditions, ships are permitted to place/change/cancel orders up to 48 hours prior to the date/time specified for delivery in the order. Here, the vessel cancelled the order three days prior to the delivery date. However, USS-UBS sought to charge the vessel for the cancellation. When questioned, USS-UBS indicated that it was concerned that the husbanding agent might interfere with the fuel delivery, and thus, they procured the fuel early to ensure that they could deliver.

This is not the appropriate manner in which to handle potential breaches of a requirements contract. If USS-UBS had concerns that a breach would occur or that individuals were interfering with their ability to perform, those issues should have been raised to the Contracting Officer. Furthermore, if a ship goes to a supplier other than the DESC contracted supplier at a given location for the same supplies/delivery method that are under contract, then the contracted supplier can submit a claim for breach of the requirements contract.

(D) In March 2007, the USS Kaufman placed an order under Contract SP0600-06-D-0351, Item 703-611 for Barge delivery at Port Gentil, Gabon. On 12 March 2007, USS-UBS indicated that it could not provide barges for this delivery. U. S. Government records indicate that the ship received fuel the next day from another supplier via truck delivery, for which there is no line item under USS-UBS's contract. USS-UBS attempted to submit a claim for tank truck loading on this order, claiming that USS-UBS incurred costs because it attempted to make delivery by truck in lieu of the contracted method via barge.

The Contracting Officer advised that USS-UBS could not make a claim for truck delivery under its contract, as it has no contract with DESC for truck delivery at that location and no change/modification was issued by the Contracting Officer. Furthermore, from the e-mail communications submitted to DESC, it appears that USS-UBS was acting at the request of a husbanding agent, and thus, would have been acting as a subcontractor to the husbanding agent in attempting to make that delivery. And, finally, the need for the truck delivery arose from USS-UBS's default when they were unable to fulfill the original barge delivery request in accordance with the terms of their contract, and thus, USS-UBS would be liable for any additional re-procurement costs incurred by the Government in obtaining delivery via truck.

(E) In March 2007, USS-UBS informed the DESC Contracting Officer of a situation in Sasebo, Japan (Item 765-61) whereby USS-UBS claimed it was delivering taxable fuel under the DESC contract. The contract specifically provides that fuel must be delivered on a tax/customs duty free basis, as the U.S. Government is exempt under the terms of the U.S.-Japan Status of Forces Agreement. This is normally accomplished by supplying bonded, non-taxable fuel.

The situation arose because in December of 2006 bonded, non-taxable fuel became unavailable for the winter season at Sasebo. Rather than notifying DESC of a potential excusable delay as required by Clause I.103-5(f) of the contract and without the knowledge of the Contracting Officer, USS-UBS subcontracted for taxable fuel from a refinery 450 miles away. USS-UBS did not notify the Contracting Officer of this issue until March 7, 2007, at which time it then sought to recover the additional costs in the amount of approximately \$ (to include taxes, barge transportation, and additional equipment) it claims it incurred as a result of this action.

USS-UBS Provedores PTY LTD.
 Cure Notice
 Page 5

Again, USS-UBS incurred these costs as a result of its failure to comply with the terms and conditions of its contract and failure to communicate with the Contracting Officer prior to taking a course of action that deviated from those terms and conditions. By so doing, USS-UBS incurred additional expenses, which it appears to be unable to absorb, resulting in financial and legal issues that have jeopardized its ability to perform under the contract.

3) DESC has been informed that USS-UBS has failed to pay several of its subcontractors, in particular the following: Sumitomo Corporation, Wilhelmsen Premier Marine Fuels, and Australia Bunkering Pty Ltd. This failure has resulted in threats by these subcontractors to arrest U.S. Government vessels which have refueled under the USS-UBS contract, and statements that these companies would no longer support U.S. Government vessels. This has also resulted in at least one industry publication implying that the U.S. Government is unable or unwilling to pay for its fuel purchases. In accordance with FAR 12.301(e) and 32.112-1(b)(1), the DESC Contracting Officer has encouraged USS-UBS to make timely payment to its subcontractors and suppliers. In spite of this, subcontractor assertions of nonpayment, and subsequent threats to U.S. Government vessels, have continued.

While subcontractor payment under commercial item contracts is a contractual matter between the prime contractor and its subcontractors, DESC does consider this a situation that is jeopardizing performance under the contract for the following reasons:

(A) These subcontractors indicate that USS-UBS is representing that the U.S. Government has not paid them for the fuel it has received. This is a false statement, as DESC has paid all properly submitted invoices within 30 days as required by the Prompt Payment Act. To the extent that USS-UBS is referring to the charges described in the foregoing sections, as discussed above, USS-UBS has incurred most of these costs by reason of their own failure to comply with the terms of the contract (many of which exist to protect USS-UBS), and thus, is not entitled to payment. The bunkering community is extremely tight knit. By failing to pay its subcontractors and falsely representing that the U.S. Government is not paying its bills, USS-UBS has jeopardized both USS-UBS's ability to obtain fuel to perform under its contracts and the U.S. Government's ability to obtain fuel at other locations/under other contracts.

(B) Statements by some of these subcontractors lead DESC to believe that USS-UBS has misrepresented itself, either implicitly or explicitly, as an agent of the U.S. Government. On several occasions USS-UBS subcontractors have informed the DESC Contracting Officer that they were led to believe that personnel of USS-UBS had the authority to bind the U.S. Government. Clearly, USS-UBS has no such authority. USS-UBS is merely a contractor to DESC under Contracts SP0600-06-D-0351 and SP0600-06-D-0391, which contain no provisions granting authority to USS-UBS to act as an agent for DESC or any other U.S. Government entity. This has resulted in numerous communications from these sub-contractors attempting to recover funds from DESC as the "principle" on whose behalf USS-UBS was acting, and these companies view DESC's inability to legally pay them directly as a failure on U.S. Government's part to pay for what it received. Again, this jeopardizes both USS-UBS's ability to obtain fuel to perform under its contracts and the U.S. Government's ability to obtain fuel at other locations/under other contracts.

(C) DESC is aware of at least one pending legal action for non-payment that has been publicized in a trade publication and the potential that another may be filed against USS-UBS in the near future. USS-UBS had already advised that it has been "cut off" from receiving additional credit/funds from certain sources. This raises serious concerns regarding USS-UBS's current and future financial viability, and DESC is concerned that USS-UBS will be unable to continue to fund and/or obtain credit for future fuel purchases for supply under its contracts.

USS-UBS Provedores PTY LTD.

Cure Notice

Page 6

CURE NOTICE:

You are hereby notified that the Government considers the above incidents and circumstances to be a condition that is endangering continued performance of the contract. USS-UBS has consistently acted in a manner that demonstrates, at best, a lack of understanding of the terms and conditions of its contract, and at worst, an intentional disregard for those provisions. These actions have led to numerous defaults under its contracts, as well as financial and legal issues that cast serious doubt on USS-UBS's continued ability to supply the U.S. Government. Therefore, unless the foregoing conditions are cured within 10 days after receipt of this notice, the Government may terminate your contracts for default under the terms and conditions clause. You are required to provide a written response, within ten (10) days of receipt of this letter to the address below:

Attn: Debora D. Wood, Contracting Officer
Ship's Bunkers Section, DESC-PHB
Defense Energy Support Center
8725 John J. Kingman Road, Suite 4950
Fort Belvoir, VA 22060-6622
Fax number is (703) 767-8506

Your submission must include a statement regarding what measures you intend to implement to prevent a recurrence of these types of incidents and to ensure that all deliveries are made in accordance with the terms, conditions, and guidelines set by Contracts SP0600-06-D-0351 and SP0600-06-D-0391. Furthermore, you must provide evidence of your continued financial and contractual ability to obtain fuel and make deliveries at all locations under your contract. Failure to comply in a timely manner, including failure to respond in writing within 10 days, may result in termination for default under the terms and conditions of the contract.

You are also advised that in the above incidents determined to be defaults of orders under the contract, where the supplies called for under the orders were repurchased, any resultant excess costs incurred by the Government may be charged to USS-UBS's account. In the event of any future default orders, or a default termination of the contract, USS-UBS may also be liable for such costs. In addition, any excess costs and administrative fees will be withheld from any monies due to USS-UBS under the contract or under any claims under the contract.

If you have any questions, please contact the undersigned at 703-767-8495, or Francis Murphy, at 703-767-8334.

Sincerely,



DEBORA D. WOOD
Contracting Officer
Mobility Fuels & Fuel Cards Program Division
Direct Delivery Fuels

Rose Hennessy

From: Bill Rae
Sent: Thursday, 8 November 2007 10:12 AM
To: Rose Hennessy
Subject: FW: Termination of Contract SP0600-06-D-0391 / USS-UBS

From: Bill Rae
Sent: Thursday, November 08, 2007 10:08 AM
To: 'Murphy, Francis (DESC)'
Cc: Justin Smith; Nina Curtis; 'Wood, Debora (DESC)'; 'Madon, Jessica (DESC)'
Subject: RE: Termination of Contract SP0600-06-D-0391 / USS-UBS

Francis,

No problems at all. But one issue that keeps arising, the outstanding monies owed to USS-UBS by DESC/Navy/MSD.

Please advise where we are at with this so I can advise our lawyers and bankers thanks, as you are aware some date back over 12 months old and still no funds from you, I am sure if these can be drafted and signed off on, then so can our payments thanks

Kind regards,



Bill Rae | Director | RaeCorp International | HEAD OFFICE:
T +61 7 3902 0500 | M +61 402 797 722 | F +61 7 3902 0700

E billrae@raecorpint.com. I W www.raecorpint.com I wtrae@hotmail.com

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-----Original Message-----

8/02/2008

From: Murphy, Francis (DESC) [mailto:Francis.C.Murphy@dla.mil]
Sent: Thursday, November 08, 2007 12:30 AM
To: Bill Rae
Cc: Justin Smith; Nina Curtis; Wood, Debora (DESC); Madon, Jessica (DESC)
Subject: Termination of Contract SP0600-06-D-0391 / USS-UBS
Importance: High

Bill --

Please see attached Notice of Termination & contract modification.

Contract SP0600-06-D-0391 is hereby officially terminated.

Please contact me or Debora if you have any questions.

Francis
DESC

8/02/2008

Rose Hennessy

From: Bill Rae
Sent: Friday, 9 November 2007 6:31 AM
To: 'Murphy, Francis (DESC)'
Cc: Justin Smith; Nina Curtis; 'Wood, Debora (DESC)'; 'Madon, Jessica (DESC)'; Adrian Dore; Rose Hennessy
Subject: RE: Termination of Contract SP0600-06-D-0391 / USS-UBS
Importance: High

Francis/Debora,

Please advise the status of payments outstanding to USS-UBS Int. we are looking at legal action that can be taken due to the length of time that we have had to carry the DESC Debt.

Kind regards,



Bill Rae | Director | RaeCorp International | HEAD OFFICE:
T +61 7 3902 0500 | M +61 402 797 722 | F +61 7 3902 0700

E billrae@raecorpint.com. I W www.raecorpint.com I wtrae@hotmail.com

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From: Bill Rae
Sent: Thursday, November 08, 2007 10:08 AM
To: 'Murphy, Francis (DESC)'
Cc: Justin Smith; Nina Curtis; 'Wood, Debora (DESC)'; 'Madon, Jessica (DESC)'
Subject: RE: Termination of Contract SP0600-06-D-0391 / USS-UBS

Francis,

No problems at all. But one issue that keeps arising, the outstanding monies owed to USS-UBS by DESC/Navy/MS.

8/02/2008

Please advise where we are at with this so I can advise our lawyers and bankers thanks, as you are aware some date back over 12 months old and still no funds from you, I am sure if these can be drafted and signed off on, then so can our payments thanks

Kind regards,



Bill Rae | Director | RaeCorp International | **HEAD OFFICE:**
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E billrae@raecorpint.com | **W** www.raecorpint.com | **wtrae@hotmail.com**

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-----Original Message-----

From: Murphy, Francis (DESC) [mailto:Francis.C.Murphy@dla.mil]

Sent: Thursday, November 08, 2007 12:30 AM

To: Bill Rae

Cc: Justin Smith; Nina Curtis; Wood, Debora (DESC); Madon, Jessica (DESC)

Subject: Termination of Contract SP0600-06-D-0391 / USS-UBS

Importance: High

Bill --

Please see attached Notice of Termination & contract modification.

Contract SP0600-06-D-0391 is hereby officially terminated.

Please contact me or Debora if you have any questions.

Francis
DESC

8/02/2008

Rose Hennessy

From: Bill Rae
Sent: Thursday, 15 November 2007 5:53 AM
To: 'Wood, Debora (DESC)'; Rose Hennessy; 'Murphy, Francis (DESC)'
Cc: 'Adrian Dore'
Subject: RE: Termination of Contract SP0600-06-D-0391 / USS-UBS

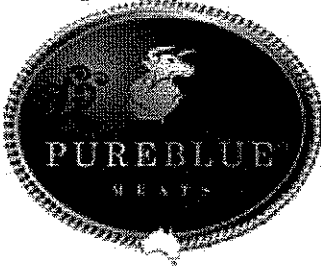
Debora,

In regards to the termination we will leave that in the hands of our lawyers in Australia and our US team. They are all studying it and all other DESC issues that are still alive, due to USS-UBS being made out to be the bad egg in all this and receiving litigation from other companies due to unpaid claims at DESC, which I respectfully supported the process but really it cannot take that long to do, when DESC can get other issues in favor of DESC sorted with there legal team as quick as possible, but paying our bills seems to be like pulling teeth, so you must understand why we are at a loss of the process

Thanks all hope all is well there

Regards,
 Bill Rae

Wagyu - 
 Ph - 07 3899 8922
 Fax - 07 3899 8944
 Mobile - 0402 797722
 DOMESTIC and EXPORT
www.purebluemeat.com.au



PREMIUM AUSTRALIAN BEEF

-----Original Message-----

From: Wood, Debora (DESC) [mailto:Debora.Wood@dla.mil]
Sent: Wednesday, November 14, 2007 9:46 PM
To: Bill Rae; Rose Hennessy; Murphy, Francis (DESC)
Subject: RE: Termination of Contract SP0600-06-D-0391 / USS-UBS

Bill,

I am in agreement, we (DESC) are attempting to wrap things up as well, which should be fairly soon. Once we are done with the internal processes then I can address what decision will be render regarding this matter. Also, the termination modification was unilateral; therefore, it only requires the Contracting Officers signature for it to be in effect.

8/02/2008

Debora D. Wood
Contracting Officer
Mobility Fuels & Fuel Cards Program Division
Direct Delivery Fuels
PH: 703-767-8495 (DSN) 427
FAX: 703-767-8506
Email: debora.wood@dla.mil

-----Original Message-----

From: Bill Rae [mailto:billrae@raecorpint.com]
Sent: Tuesday, November 13, 2007 4:04 PM
To: Wood, Debora (DESC); Rose Hennessy; Murphy, Francis (DESC)
Cc: Madon, Jessica (DESC); Adrian Dore
Subject: RE: Termination of Contract SP0600-06-D-0391 / USS-UBS

Debora,

We have had all the information in with DESC now for a long time and we always get a response stating we will get back to you we as you must want to just wrap this up. So we can all move forward, our solicitors have all communications between USS-UBS and DESC since day one so that they are fully aware of the situation at hand.

We look forward to finalizing payments and then we can sign the document of Termination

Kind regards,

Bill Rae I Director I RaeCorp International I HEAD OFFICE:
T +61 7 3902 0500 I M +61 402 797 722 I F +61 7 3902 0700 E
billrae@raecorpint.com. <mailto:l@ubsprov.com.au> I W
www.raecorpint.com <http://www.ubsprov.com.au/> I wtrae@hotmail.com
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From: Wood, Debora (DESC) [mailto:Debora.Wood@dla.mil]
Sent: Tuesday, November 13, 2007 9:55 PM
To: Rose Hennessy; Murphy, Francis (DESC)
Cc: Bill Rae; Madon, Jessica (DESC); Adrian Dore
Subject: RE: Termination of Contract SP0600-06-D-0391 / USS-UBS

I will provide a response as soon as I have all the information necessary regarding this issue.

Debora D. Wood
Contracting Officer
Mobility Fuels & Fuel Cards Program Division Direct Delivery Fuels
PH: 703-767-8495 (DSN) 427
FAX: 703-767-8506

8/02/2008

Email: debora.wood@dla.mil

-----Original Message-----

From: Rose Hennessy [mailto:Accounts@raecorpint.com]
Sent: Monday, November 12, 2007 6:51 PM
To: Murphy, Francis (DESC)
Cc: Bill Rae; Wood, Debora (DESC); Madon, Jessica (DESC); Adrian Dore
Subject: RE: Termination of Contract SP0600-06-D-0391 / USS-UBS
Importance: High

Dear Debora and Francis

I refer to the below email from Bill last Friday and ask that you could please advise me on the status of the outstanding invoices in connection with the contract specified above. If you have any queries or need any further information, please contact me. I am needing to advise our lawyers so we can finalise this matter in full.

Look forward to your advises.

Kind regards,

World wide bunker & lubricants Division

Rose Hennessy I Financial Controller I RaeCorp International I HEAD
OFFICE:
T +61 7 3902 0500 I F +61 7 3902 0700

E roseh@raecorpint.com. <mailto:l@ubsprov.com.au> I W
www.raecorpint.com <http://www.ubsprov.com.au/>

From: Bill Rae
Sent: Friday, 9 November 2007 6:31 AM
To: 'Murphy, Francis (DESC)'
Cc: Justin Smith; Nina Curtis; 'Wood, Debora (DESC)'; 'Madon, Jessica (DESC)'; Adrian Dore; Rose Hennessy
Subject: RE: Termination of Contract SP0600-06-D-0391 / USS-UBS
Importance: High

Francis/Debora,

Please advise the status of payments outstanding to USS-UBS Int. we are looking at legal action that can be taken due to the length of time that we have had to carry the DESC Debt.

Kind regards,

8/02/2008

Bill Rae I Director I RaeCorp International I HEAD OFFICE:
T +61 7 3902 0500 I M +61 402 797 722 I F +61 7 3902 0700

E billrae@raecorpint.com. <mailto:l@ubsprov.com.au> I W
www.raecorpint.com <http://www.ubsprov.com.au/> I wtrae@hotmail.com

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From: Bill Rae
Sent: Thursday, November 08, 2007 10:08 AM
To: 'Murphy, Francis (DESC)'
Cc: Justin Smith; Nina Curtis; 'Wood, Debora (DESC)'; 'Madon, Jessica (DESC)'
Subject: RE: Termination of Contract SP0600-06-D-0391 / USS-UBS

Francis,

No problems at all. But one issue that keeps arising, the outstanding monies owed to USS-UBS by DESC/Navy/MSD.

Please advise where we are at with this so I can advise our lawyers and bankers thanks, as you are aware some date back over 12 months old and still no funds from you, I am sure if these can be drafted and signed off on, then so can our payments thanks

Kind regards,

Bill Rae I Director I RaeCorp International I HEAD OFFICE:
T +61 7 3902 0500 I M +61 402 797 722 I F +61 7 3902 0700

8/02/2008

E billrae@raecorpint.com. <mailto:l@ubsprov.com.au> I W
www.raecorpint.com <http://www.ubsprov.com.au/> I wtrae@hotmail.com

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-----Original Message-----

From: Murphy, Francis (DESC) [mailto:Francis.C.Murphy@dla.mil]
Sent: Thursday, November 08, 2007 12:30 AM
To: Bill Rae
Cc: Justin Smith; Nina Curtis; Wood, Debora (DESC); Madon, Jessica (DESC)
Subject: Termination of Contract SP0600-06-D-0391 / USS-UBS
Importance: High

Bill --

Please see attached Notice of Termination & contract modification.

Contract SP0600-06-D-0391 is hereby officially terminated.

Please contact me or Debora if you have any questions.

Francis

DESC

8/02/2008

Rose Hennessy

From: Bill Rae [billr@purebluemeat.com.au]
Sent: Tuesday, 27 November 2007 6:28 AM
To: Rose Hennessy
Subject: Fw: Sasebo Taxable Fuel

Regards, Bill Rae

-----Original Message-----

From: "Murphy, Francis (DESC)" <Francis.C.Murphy@dla.mil>

Date: Mon, 26 Nov 2007 12:23:03

To: "Bill Rae" <billrae@raecorpint.com>

Cc: <justins@raecorpint.com>, "Nina Curtis" <ninac@raecorpint.com>, "Wood, Debora (DESC)" <Debora.Wood@dla.mil>

Subject: Sasebo Taxable Fuel

Bill --

Our Legal Office has inquired into the USS-UBS Sasebo tax claim & has learned that contractors may be able to get relief from taxes through use of a specific form (number 381). The contractor would fill out this form, obtain certification from the US Government user to verify that it is for US Govt use; then the contractor turns the form in for the tax rebate.

I know you had mentioned that you had attempted to obtain refund / relief for the tax, but did not specify exactly how.

Have you tried the 381 form?

Best Regards,
Francis
DESC

Rose Hennessy

From: Bill Rae [billr@purebluemeat.com.au]
Sent: Monday, 3 December 2007 1:24 PM
To: Murphy, Francis (DESC); 'Wood, Debora (DESC)'
Cc: 'Adrian Dore'; Rose Hennessy
Subject: Payments still owing to USS-UBS Int

Francis/Debora,

I have not received any further correspondence from your office concerning the outstanding claims. Full particulars of the claims have been provided yet these have not been actioned by you. As you are aware, UBS Provedores Pty Ltd has been subject to litigation both here in Australia and in the United States with such litigation being directly referable to the US Navy's failure to make payment of the claims in a timely manner.

Would you please provide a complete update concerning the status of the claims within forty-eight (48) hours of the date of this email correspondence or I will have no other option to but to engage legal Counsel in the United States so that I can progress the matter.
 I await your urgent response.

Kind regards,



Bill Rae | Director | RaeCorp International | **HEAD OFFICE:**
T +61 7 3902 0500 | **M** +61 402 797 722 | **F** +61 7 3902 0700

E billrae@raecorpint.com. | **W** www.raecorpint.com | **wtrae@hotmail.com**

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Rose Hennessy

From: Bill Rae [billr@purebluemeat.com.au]
Sent: Wednesday, 5 December 2007 6:23 AM
To: 'Wood, Debora (DESC)'
Subject: RE: Payments still owing to USS-UBS Int

Debora,

Rose will answer your Sasebo query, in regards to the other out standings it has seriously gone on too long and our bank our lawyers (Aust & US) and accountants are insisting the payment or litigation as per the time line is being instituted apologies but I have worked as you asked on all of this and had no money come in I was available 24hrs a day to DESC and supplied DESC with so much information the delays cannot be explained to a bank any longer. I am getting the blame for all of this from every angle, it is out of my hands, the situation cannot be changed, legal has started the paper work and court proceedings here and the US and it will be issued to any person/s (Embassy/ship member/owners of MSC vessels/DESC/USN/MS (Ft Belvoir)/Naples/Singapore any body who has had a hand in the ordering of unpaid invoices. They will be sending to everybody as per what happened when we were sued etc.

Thanks Debora I am sure you have to understand this it has been over 12 months for a DESC payment and since you cancelled our contract what else can be done apart from DESC paying there bills

Kind regards,



Bill Rae | Director | RaeCorp International | **HEAD OFFICE:**
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-----Original Message-----

From: Wood, Debora (DESC) [mailto:Debora.Wood@dla.mil]
Sent: Tuesday, December 04, 2007 9:41 PM

8/02/2008

To: BillEmail
 Subject: RE: Payments still owing to USS-UBS Int

Bill,

I understand there are other claims that USS-UBS have submitted, which we are working. However, in reference to the question on the email sent yesterday could you please provide me with an answer if you submitted any paperwork using the reference form for the taxes.

Debora D. Wood
 Contracting Officer
 Mobility Fuels & Fuel Cards Program Division
 Direct Delivery Fuels
 PH: 703-767-8495 (DSN) 427
 FAX: 703-767-8506
 Email: debora.wood@dla.mil

-----Original Message-----

From: Bill Rae [mailto:billr@purebluemeat.com.au]
 Sent: Monday, December 03, 2007 3:30 PM
 To: Wood, Debora (DESC)
 Subject: Re: Payments still owing to USS-UBS Int

Debora,

Believe that desc is confused there is a number of unpaid invoices and the one you refer to is not about tax only it also has barge costs which I have forwarded to you more then 9 times. Also Africa unpaid, Fisc Spr unpaid and the llst goes on we have been informed under maritime law to start proceedings unless all are paid. The delays in payment nearly sent this company bankrupt due to desc Regards, Bill Rae

-----Original Message-----

From: "Wood, Debora (DESC)" <Debora.Wood@dla.mil>

Date: Mon, 3 Dec 2007 07:22:23
 To: "Bill Rae" <billrae@raecorpint.com>, "Murphy, Francis (DESC)" <Francis.C.Murphy@dla.mil> Cc: "Adrian Dore" <adrian@nrbarbisolicitor.com.au>, "Rose Hennessy" <roseh@ussubsint.com>
 Subject: RE: Payments still owing to USS-UBS Int

Bill,

We have sent two emails dated 26 and 28 Nov 2007 to your attention with some specific questions regarding your claims. Apparently, there must have been an oversight on your part; therefore, I have attached the email above. Please review and provide the information noted within the email above.

Regards,

Debora D. Wood
 Contracting Officer
 Mobility Fuels & Fuel Cards Program Division
 Direct Delivery Fuels
 PH: 703-767-8495 (DSN) 427
 FAX: 703-767-8506
 Email: debora.wood@dla.mil

-----Original Message-----

8/02/2008

From: Bill Rae [mailto:billr@purebluemeat.com.au]
Sent: Sunday, December 02, 2007 10:24 PM
To: Murphy, Francis (DESC); Wood, Debora (DESC)
Cc: 'Adrian Dore'; Rose Hennessy
Subject: Payments still owing to USS-UBS Int

Francis/Debora,

I have not received any further correspondence from your office concerning the outstanding claims.

Full particulars of the claims have been provided yet these have not been actioned by you. As you are aware, UBS Provedores Pty Ltd has been subject to litigation both here in Australia and in the United States with such litigation being directly referable to the US Navy's failure to make payment of the claims in a timely manner.

Would you please provide a complete update concerning the status of the claims within forty-eight (48) hours of the date of this email correspondence or I will have no other option to but to engage legal Counsel in the United States so that I can progress the matter.

I await your urgent response.

Kind regards,

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Rose Hennessy

From: Bill Rae
Sent: Monday, 10 December 2007 9:46 AM
To: 'Wood, Debora (DESC)'
Cc: 'Murphy, Francis (DESC)'; Rose Hennessy
Subject: FW: ALL CLAIMS
Importance: High
Sensitivity: Confidential

Debora,

Please read below the emails that you received and we answered all your queries 26th May 07 and Rose is sending you a reply today thanks Debora

PS all comms in relation to this will be re forwarded to you today over 1 year of comms mate

Kind regards,



Bill Rae | Director | RaeCorp International | **HEAD OFFICE:**
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From: Bill Rae
Sent: Saturday, May 26, 2007 10:46 AM
To: Wood, Debora (DESC); Murphy, Francis (DESC)
Cc: Justin Smith
Subject: ALL CLAIMS

8/02/2008

Importance: High
Sensitivity: Confidential

G'day Debora/Francis,

Can we please wrap this up as I am getting ever increasing pressure on this, funds we outlaid are well and truly being held up, I followed all the steps of a claim as per DESC instructions and did that as informed and did in a timely matter so that we could wrap this up, and now we keep getting delays I cannot hold off Oslo and or Accts dept anymore as they want to put me on the street with my bags packed, I am unsure how to stress how important it is that a result is made, every time I tell our office I have a meeting to resolve I end up telling them next, maybe next week etc... my word has turned into nothing at work.

I can load ships in 3rd world countries where other DESC contractors say no, we get a phone call from DEAC/DLA Naples saying make it happen at 3am our time we do so, and we lose money and a claim sits unpaid for some time, I make it all happen when other contractors can't, and if DESC/DLA rings me I make what ever request happen immediately, I always work to make sure that there are no claims, and as you guys know we have absorbed costs as and I will credit a claim to DESC/USN/MSD etc, and I get a response immediately saying thanks and we deem this matter/claim closed, that makes it hard to understand that other side takes so long to respond to, I was hoping that the folks that are holding this up can take that into consideration to assist. As we really need to close these immediately.

In regards to Claims --:

- Oral order – I think it is pretty clean cut, MSD asked DESC, tell us to have the quantity, we did that and then MSD they didn't buy it we stored it stocked it bought it and we get stuck with the bill, we pass on the costs (as per exact instructions on how to claim by DESC) of the losses and don't make a profit at all, and we still can't get paid.
- Sasebo price increase – we have sent all information on refineries shutting and how long we have to transport bunkers with barge transportation etc, it is very simple as well we adjusted to the situation so that a default wouldn't occur and we get stuck with the bill, all information has been passed to DESC, we are not claiming any Tax just a price increase as of December 2nd onwards and no other claim will ever exist in relation to this in Sasebo. Due to travel time and Japanese Govt taking all barges when ever wanting to, hence we chartered a barge and holding tanks to ensure product delivery.
- Elrod Claim – very simple as well it was an open market situation and we have sent all paper work in numerous times and still not paid
- Kauffman Claim – we worked 24hrs a day to ensure this ship was supplied in ports that we were not the contractor due to the DESC contractor saying no to supply hence we were called to supply, DESC/DLA requested we do so and we attempted to and then the ship cancelled all the time, and giving the order to the HA, creating large bunker costs to the ship, HA got paid but it caused costs and losses to USS-UBS, once again we got the costs and no reimbursement
- Barge claims Sasebo – this is because the price increase has not been finalized; all is in at DESC as well on this matter. We have had no response to this matter.

I really need this wrapped up and a date if possible of payment to USS-UBS Int. as I cannot say for e.g. he is away or she is away and no details until they are all in at the same time, anyway I hope you understand my position on this matter, we are commercial entity that requires money to operate and when we have such a large sum outstanding we are paying interest to our bankers etc and it creates more sots that I have not on forwarded so that we could wrap this up quickly but that hasn't happened so I am also getting these additional costs incurred that I agreed to not claim affecting our operating funds due to having to pay it monthly to our bankers etc...

I hope you do understand that all I want to do is wrap this up and move forward and what we all do best supply ships with fuel, thanks guys appreciate your time

Please don't hesitate contacting me at anytime.

Kind regards,

8/02/2008

Bill Rae | General Manager | USS-UBS International | **HEAD OFFICE:**
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Victoria BC. - Vancouver - US West Coast.

****Failing to plan is planning to fail****

Rose Hennessy

From: Rose Hennessy
Sent: Monday, 10 December 2007 3:34 PM
To: 'Wood, Debora (DESC)'
Cc: Bill Rae
Subject: Sasebo

Dear Debora

In response to your email regarding form 381, the reason for the price increase is that in Winter in Japan the refineries take all of the product and ensure that all domestic needs are met and not allowing the fuel we supplied to the USN ships be exempt from tax and we had to barge the fuel from a long distance.

The costs we are wanting to recover are barge costs not tax costs. This has been sent in numerous emails and correspondence with DESC and the form that you are talking about is irrelevant to this claim as explained a number of times. We are unable to get tax back and the Japanese government takes control of the local heating requirements before servicing any other entity.

The bottom line is that the funds we need covered are for barging the product to Sasebo to ensure that your needs were met and which we supplied and serviced your vessel when no other entity could and still we do not get paid from many of the DESC ships still on our books as unpaid I really need to wrap this up before our lawyers start putting this in the media around the world.

Your assistance would be appreciated and if you require any further information, please contact me.

Regards,

Rose Hennessy | Financial Controller | USS-UBS International
HEAD OFFICE
Unit 2, 50 Borthwick Avenue, Murarrie QLD 4172
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Pearl Harbour - Victoria BC - Vancouver - US West Coast
Failing to plan is planning to fail

Rose Hennessy

From: Bill Rae [billr@purebluemeat.com.au]
Sent: Thursday, 13 December 2007 6:33 AM
To: Rose Hennessy
Subject: FW: Call Regarding Sasebo Claim

FYI

From: Bill Rae [mailto:billr@purebluemeat.com.au]
Sent: Thursday, December 13, 2007 6:32 AM
To: 'Murphy, Francis (DESC)'
Subject: RE: Call Regarding Sasebo Claim

Thanks mate greatly appreciated, hey mate it is hard to fathom no payments coming in from DESC between you and I our lawyers are going to go to the media in all areas over this due to the length and I have had to sell my house to afford holding the debt of DESC it has been very hard and we have paid all our suppliers, I have no control any more of the situation legally, as the bank nearly foreclosed our business over it and my word didn't hold up at the end due to the amounts and time of funds being non paid, also they got approval to arrest the ships that are under charter yesterday so mate it is getting serious here and I am just a porn in the middle now, so mate please lets get this sorted so we can all move forward

Kind regards,



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31/01/2008

Thanks for your reply mate!

Hey, congratulations, & best wishes to the little mama!

-----Original Message-----

From: Bill Rae [mailto:billr@purebluemeat.com.au]
Sent: Monday, December 10, 2007 11:20 PM
To: Murphy, Francis (DESC); Bill Rae
Cc: Wood, Debora (DESC)
Subject: RE: Call Regarding Sasebo Claim

Francis,

I will be unavailable I will be at the hospital Erin is going in on Tuesday evening to have another Rae, and will be unavailable. I would like to do ASAP. Will revert with a time thanks

Kind regards,

Bill Rae I Director I RaeCorp International I HEAD OFFICE:
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From: Murphy, Francis (DESC) [mailto:Francis.C.Murphy@dla.mil]
Sent: Tuesday, December 11, 2007 7:10 AM
To: Bill Rae
Cc: Wood, Debora (DESC)
Subject: Call Regarding Sasebo Claim
Importance: High

Bill --

Debora & I want to set up a meeting to discuss your claim at Sasebo & all other outstanding claim issues.

We have scheduled Wednesday, December 12, 2007 1:00 PM-2:00 PM (Eastern US Time).

Will you be available for us to call you then?
Please provide a phone number we can contact you at at that time.
Meeting will include myself, Debora, & our attorney Kay Bushman.
We hope to resolve all outstanding claims as quickly as possible.

31/01/2008

Please contact me or Debora if you have any questions.

Best Regards,
Francis
DESC

31/01/2008

Rose Hennessy

From: Bill Rae [billr@purebluemeat.com.au]
Sent: Friday, 18 January 2008 5:01 PM
To: 'Murphy, Francis (DESC)'; 'Wood, Debora (DESC)'
Subject: FW:
Importance: High
Sensitivity: Confidential

Debora/Francis,

Can you please arrange payment to UBS, we have been waiting a very long time, litigation is coming since no effort from DESC nor the US Navy has been forth coming. Since articles about us were published the same will happen from us about this topic, since we are being played like fools by the US NAVY

I have lost my house over all of this and it is not fair when all I did was work my ass off to service your ships and service them with verbal consent from you personally and Naval personnal, I am very angry that I am the only one that has had to move his family a new born child to service the slackness of th eUS Navy and DESC, I will be not be letting the attached be unpaid as I always helped you guys with additional costs yet I still lose my house an get a back credit rating all due to this situation, my family has suuferd and yet the ones who I supplied services to have not.

Regards,

Bill Rae

Rose Hennessy

From: Bill Rae [billr@purebluemeat.com.au]
Sent: Tuesday, 22 January 2008 9:47 AM
To: Rose Hennessy
Subject: FW: Japanese Taxes at Sasebo - Form 381

Regards,

Bill

-----Original Message-----

From: Murphy, Francis (DESC) [mailto:Francis.C.Murphy@dla.mil]
Sent: Wednesday, January 09, 2008 12:59 AM
To: BillEmail
Cc: Wood, Debora (DESC)
Subject: RE: Japanese Taxes at Sasebo - Form 381

Bill --

The DESC region office can assist you in filling out this form.

Please contact the following for assistance:

GEOFFREY M. CONNELL
Deputy Director, DESC-Japan
COMM FROM U.S: 011-81-3117-55-2671
Email: geoffrey.connell@dla.mil

-----Original Message-----

From: Bill Rae
Sent: Monday, January 07, 2008 4:41 PM
To: Murphy, Francis (DESC)
Subject: RE: Japanes Taxes at Sasebo - Form 381

I will pass on to our lawyers and revert thanks Francis

Regards,

Bill Rae

E:
W: v
Direct line 07 :
M: 61 402 797 722 P: 61 7 F: 61 7

WAGYU SPECIALISTS

From: Murphy, Francis (DESC) [mailto:Francis.C.Murphy@dla.mil]
Sent: Tuesday, January 08, 2008 7:21 AM
To: Bill Rae; Justin Smith; Nina Curtis; Rose Hennessy
Cc: Wood, Debora (DESC)
Subject: Japanes Taxes at Sasebo - Form 381

Importance: High

<<usfj381 Customs Free Cargo.pdf>>

All --

Please see attached form 381 EJ.

As we have mentioned previously, DESC understands that if you fill out this form & submit it to Japanese Customs you can be reimbursed for any tax paid, as at Sasebo.

Please let us know your intentions on this.

Best Regards,
Francis
DESC